

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 PA-02 PRS-01 USIA-15 EB-08 OMB-01

TRSE-00 AID-05 EUR-12 CIAE-00 INR-07 NSAE-00 L-03

SP-02 SIL-01 LAB-04 MMO-04 /076 W

-----101447Z 124507 /42

R 101200Z FEB 77

FM AMEMBASSY TEHRAN

TO HUD WASHDC

SECSTATE WASHDC 1230

USDOC WASHDC

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HOUSING AND URBAN DEVELOPMENT/OFFICE OF INTERNATIONAL  
AFFAIRS/A ANDREWS

USDOC FOR CAGNE AND OIM/PETERSON

EO 11652: N/A

TAGS: ECRE, USIRJC

SUBJ: HOUSING WORKING GROUP: HOUSING SYSTEMS/  
PROPOSAL FOR CATALOG SHOW

REF: TEHRAN 0762.

1. PER REFTEL, POST SUGGESTS THAT USDOC AND HUD CONSIDER SPONSORING JOINTLY IN THE NEAR FUTURE A CATALOG SHOW FOR COMPANIES WHICH ARE SEEKING TO LICENSE OR JOINT VENTURE IN THE MANUFACTURE OF HOUSING SYSTEMS OR COMPONENTS IN IRAN.

2. DISCUSSION: AS IT HAS BECOME CLEAR THAT THE GOI (WITH THE EXCEPTION OF A FEW PROJECTS, MOST OF WHICH ARE BEING FUNDED BY THE MILITARY) WILL NOT BE CONTRACTING DIRECTLY FOR HOUSING UNITS; E.G., THROUGH THE MINISTRY OF HOUSING AND RELATED ORGANIZATIONS, PRIVATE SECTOR  
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INTEREST IS BEGINNING TO ACQUIRE THE FOCUS AND SHAPE WHICH IT LACKED ONE AND TWO YEARS AGO. MANY PRIVATE SECTOR INTERESTS, HOWEVER, DO NOT HAVE EXTENSIVE EXPERIENCE IN THE HOUSING OR CONSTRUCTION FIELD, EITHER BY CONVENTIONAL OR SYSTEMS METHODOLOGY. MANY INQUIRIES ARE VAGUE IN NATURE, AND SIMPLY INDICATE INTEREST IN HOUSING LITERATURE. THE INQUIRERS ARE FREQUENTLY UN-

ABLE TO IDENTIFY WHAT TYPE OF TECHNOLOGY IS DESIRED, CANNOT INDICATE A PRICE RANGE OR GIVE COST COMPARISONS, OR OTHERWISE MAKE DECISION ON THEIR NEEDS WHICH WOULD ENABLE THE EMBASSY, COMMERCE OR HUD TO NARROW DOWN FOR THEM A REASONABLE CONTACT LIST AMONG THE VERY BROAD RANGE AND SCOPE OF COMPANIES ENGAGED IN THE HOUSING BUSINESS IN THE UNITED STATES. FEAR OF COMPETITION OFTEN PREVENTS INQUIRERS FROM REVEALING THE SCOPE OF THE PROJECT AND THE FINANCING TERMS WHICH WOULD ENABLE THEIR DESIRE TO BE WRITTEN UP IN THE TRADE/OPPORTUNITY/ MAJOR PROJECT FORMAT.

3. MOST INQUIRERS WHO DO HAVE SOME IDEA OF WHAT THEY WANT ARE SEEKING EITHER PRE-CAST (FOR HIGHER INCOME HOUSING) OR CAST-ON-SITE (LOW COST HOUSING FOR THE MOST PART) TECHNOLOGY. SYSTEMS WHICH UTILIZE A HIGH PERCENTAGE OF WOOD DO NOT ENGENDER INTEREST BECAUSE THE COST-- EITHER PERCEIVED OR ACTUAL--OF IMPORTING WOOD REQUIREMENTS IS HIGH. DIRECT SALES HAVE ALSO NOT GENERATED ANY SUSTAINED INTEREST, MAINLY BECAUSE MOST COMPANIES INTERESTED IN DIRECT SALES HAVE PRE-CUT WOOD SYSTEMS FOR WHICH THERE IS LITTLE CULTURAL OR PRACTICAL ACCEPTANCE IN IRAN, AND BECAUSE THE COST OF IMPORTING UNITS FROM THE US IS NOT CONSIDERED ECONOMICALLY VIABLE ON A LARGE SCALE.

4. TO BEST EXPLOIT THIS UNFOCUSED BUT INCREASING PRIVATE SECTOR INTEREST, POST SUGGESTS THAT A CATALOG SHOW BE STAGED FOR COMPANIES INTERESTED IN MANUFACTURING SYSTEMS

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OR COMPONENTS IN IRAN. TIMING AND VENUE OF SUCH AN EVENT IS SUBJECT TO SEVERAL CONSIDERATIONS, HOWEVER:

(A) THE IRAN INTERNATIONAL FAIRS AND EXHIBITIONS CORPORATION IS STILL RECRUITING FOR "CONSTRUCTION INTERNATIONAL" SCHEDULED APRIL 29-MAY 6 AND HAS NOW APPARENTLY ADDED "PRE-FAB HOUSING" TO THE TITLE IN AN EFFORT TO EXPAND INTEREST. THE FAIR CORPORATION HAS FREQUENTLY EXPRESSED ITS DESIRE FOR PARTICIPATION OF MORE AMERICAN FIRMS IN SPECIALIZED FAIRS.

(B) US TRADE CENTER WOULD PROVIDE SUITABLE VENUE AND THERE IS SPACE AVAILABLE ON 1977 TRADE CENTER SCHEDULE FOR INCLUSION OF AN EVEN OF THIS TYPE.

(C) IN VIEW OF GENERAL INTEREST LOCALLY IN TOPIC AND POSSIBILITY OF NUMBER OF EUROPEAN MANUFACTURERS USING SPECIALIZED FAIR AS A FORUM, BELIEVE SUCH A SHOW FOR US FIRMS SHOULD MOST PROFITABLY BE HELD AT EARLIEST DATE

FEASIBLE.

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R 101200Z FEB 77  
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TO HUD WASHDC  
SECSTATE WASHDC 1231  
USDOC WASHDC

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(D) SUCH AN EVENT COULD BE TIED IN WITH THE HOUSING  
STUDYING GROUP OF THE US-IRAN JOINT COMMISSION, PROVIDING  
CONTINUITY FOR THE GROUP AND A CONTINUED EXPRESSION OF  
INTEREST ON OUR PART.

5. SUGGESTED COURSES OF ACTION FOR CONSIDERATION:

(A) TAKING OF SPACE IN THE SPECIALIZED FAIR APRIL 29-  
MAY 6, PERHAPS IN THE NAME OF AN ASSOCIATION SUCH AS THE  
NATIONAL PARTNERSHIP FOR HOUSING (WHOSE VICE-PRESIDENT  
WILLIAM HOFFMAN IS A MEMBER OF THE HOUSING WORKING GROUP  
REPRESENTING THE PRIVATE SECTOR).

(B) SCHEDULING A SHOW AT THE USTC SO THAT IT WOULD  
NOT CONFLICT WITH THE SPECIALIZED FAIR (SEE TEHRAN 1226  
ON ALABAMA TRADE MISSION FOR DISCUSSION OF SENSITIVITIES  
IN THIS AREA). USTC AGREES ON MID-JULY TARGET IF THE PRO-  
POSED AUTOMOTIVE EQUIPMENT SHOW IS CANCELLED OR, ALTER-  
NATIVELY, THE LAST WEEK IN AUGUST.

6. LEAD TIME: ALTHOUGH LEAD TIME IS SHORTER THAN NORMAL,  
BELIEVE THAT BECAUSE OF CONTINUING AND REGULAR CONTACT  
BY BOTH HUD AND COMMERCE WITH MANUFACTURERS SEEKING MARKET  
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ENTRY INFORMATION ON IRAN AND JOINT COMMISSION-RELATED PARTICIPATION OF PRIVATE SECTION, ETC. THAT IT WOULD NOT BE DIFFICULT TO RECRUIT INTERESTED COMPANIES.

7. STAFFING: ARRANGEMENTS AND PROMOTIONAL ACTIVITY WOULD BE MADE BY EMBASSY COMMERCIAL SECTION IF PARTICIPATION IN "CONSTRUCTION INTERNATIONAL" IS DEEMED POSSIBLE OR BY THE COMMERCIAL SECTION AND TRADE CENTER STAFFS, FOR A JULY OR AUGUST TRADE CENTER SHOW. PRESENCE OF ANDREWS AND/OR COMMERCE DESIGNATE AND ONE TECHNICAL PERSON DURING COURSE OF SHOW PRESUMABLY COULD BE FUNDED BY PARTICIPANTS' FEE OR NORMAL TRAVEL ORDERS. IF FILMS AND OTHER VISUAL MATERIAL COULD BE PROVIDED, SEMINARS WOULD BE ORGANIZED DURING COURSE OF SHOW WITH LOCAL ENGINEERS, ARCHITECTS, CONSULTANTS, ETC.

8. BUDGET: SHOW WOULD REQUIRE MODEST BUDGET FOR PROMOTION, HOSPITALITY, SHIPMENT OF CATALOGS, ETC. IF HELD IN TRADE CENTER. IF SPACE IS TAKEN AT SPECIALIZED FAIR, COSTS WOULD BE HIGHER (PRICE PER SQUARE METER OF RS. 6,750, MINIMUM 30 SQUARE METERS APPROXIMATELY \$3,000) INCLUDES CARPET TILES, LIGHTING, SIGNS, ELECTRICAL INSTALLATIONS. PROMOTION COSTS, TEMPORARY STAFF, BUILDING OF CATALOG STANDS (UNLESS COMMERCE HAS STOCK FOR SHIPMENT) WOULD BE EXTRA. PRESUMABLY, HOWEVER, PARTICIPATION FEES AND/OR TRADE ASSOCIATION FUNDING COULD COVER THESE ITEMS.

9. ACTION REQUESTED: THAT YOU COMMENT ON THE POSSIBILITY OF STAGING SUCH A CATALOG SHOW FOR HOUSING SYSTEMS/ COMPONENTS PREFERABLY (A) AT THE SPECIALIZED CONSTRUCTION FAIR OF THE IRAN INTERNATIONAL FAIRS AND EXHIBITIONS CORPORATION OR (B) AT THE USTC CENTER IN MID-JULY OR LATE AUGUST. THE USTC DIRECTOR CONCURS IN THIS MESSAGE.  
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## Message Attributes

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